

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 1 — 0 0 3

2. STATE:

New Mexico

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2001

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

Section - 701(b) BIPA

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$ 0

b. FFY 2002 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19 - A
pages 23, 23a, and 249. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):Attachment 4.19 - A
pages 23 and 24

10. SUBJECT OF AMENDMENT:

Disproportionate Share Hospitals

11. GOVERNOR'S REVIEW (Check One):

- ☐
- GOVERNOR'S OFFICE REPORTED NO COMMENT
-
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
-
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Medicaid Director

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Robert T Maruca

14. TITLE:

Director, Medical Assistance Division

15. DATE SUBMITTED:

March 22, 2001

16. RETURN TO:

Robert T. Maruca, Director
Medical Assistance Division
P.O. Box 2348
Santa Fe, New Mexico 87504 - 2348

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

30 MARCH 2001

18. DATE APPROVED

19. EFFECTIVE DATE OF APPROVED MATERIAL

1 JANUARY 2001

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME:

CALVIN G. CLINE

22. TITLE:

ASSOCIATE REGIONAL ADMINISTRATOR
DIV OF MEDICAID & STATE OPERATIONS

23. REMARKS

DISPROPORTIONATE SHARE HOSPITALS

A. Criteria for Deeming Hospitals Eligible for a Disproportionate Share Payment:

(3) The following criteria must be met before a hospital is deemed eligible:

(b) Definitions of Criteria:

- (i) Medicaid inpatient utilization: For a hospital, the total of its Medicaid inpatient days in a cost reporting period, divided by the total number of the hospital's inpatient days for the same period. These include both Medicaid managed care and Medicaid non-managed care inpatient days.
- (ii) Low-income utilization rate: For a hospital, the sum (expressed as a percentage) of the following fractions: The sum of total Medicaid inpatient and outpatient net revenues (this includes Medicaid managed care and non-managed care revenues) paid to the hospital, plus the amount of the cash subsidies received directly from State and local governments in a cost reporting period, divided by the total amount of net revenues of the hospital for inpatient and outpatient services (including the amount of such cash subsidies) in the same reporting period; and the total amount of the hospital's charges for inpatient hospital services attributable to charity care (care provided to individuals who have no source of payment, third party or personal resources) in a cost reporting period, less the amount of the cash subsidies received directly from the state and local governments in that period reasonably attributable to inpatient hospital services, divided by the total amount of the hospital's charges for inpatient services in the hospital in the same period. If this number is zero or less than zero, then it is assumed to be zero. The total inpatient charges attributed to charity care shall not include contractual allowances and discounts (other than for indigent patients not eligible for medical assistance under an approved Medicaid state plan), that is, reductions in charges given to other third-party payers, such as HMOs, Medicare, or Blue Cross.

STATE <u>New Mexico</u>	A
DATE REC'D <u>03-30-01</u>	
DATE APP'D <u>05-07-01</u>	
DATE EFF <u>01-01-01</u>	
HCFA 179 <u>NM-01-03</u>	

SUPERSEDED BY NM-97-04

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- (iii) The Medicaid utilization rate (MUR) is computed as follows:

$$\text{MUR}\% = 100 \times \text{M/T}$$

M = Hospital's number of inpatient days attributable to patients who for these days were eligible for Medical Assistance under the State Plan. These include Medicaid managed care and non-managed care days.

T = Hospitals' total inpatient days.

- (iv) Newborn days, days in specialized wards, and administratively necessary days are included in this calculation. Additionally, days attributed to individuals eligible for Medicaid in another state are included. Medicaid inpatient days includes both Medicaid managed care and non-managed care patient days.

The numerator (M) does not include days attributable to Medicaid patients 21 or older in Institutions for Mental Disease (IMD) as these patients are not eligible for Medicaid coverage in IMDs under the New Mexico State Plan and can not be considered a Medicaid day.

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SUPERSEDES NOTE - NEW PAGE

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B. Inpatient Disproportionate Share Pools

Section 1923 of the Social Security Act allows qualifying hospitals to receive a disproportionate share payment, in addition to their allowable regular claims payments and any other payments to which they are entitled. This determination is performed annually as described in section IV.A. Qualifying hospitals will be classified in one of 3 disproportionate share hospital pools: Teaching PPS hospitals, non – teaching PPS hospitals, and PPS – exempt (TEFRA) hospitals. Hospitals may also qualify for a payment from a 4th pool: reserve pool as explained in this section IV.C. below.

1. To qualify as a teaching hospital and be eligible for the teaching hospital DSH payment, the hospital must:
 - a. Be licensed by the State of New Mexico; and
 - b. Reimbursed, or be eligible to be reimbursed under the DRG basis under the plan; and
 - c. Have 125 or more full – time equivalent (FTE) residents enrolled in approval teaching programs.
2. A non – teaching PPS (DRG) hospital qualifies if it is an instate acute care hospital reimbursed by or eligible to be reimbursed by prospective payment methodology.

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SUPPLEMENTAL: NM 97-04